

DeFAZIO AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1773

SECTION-BY-SECTION ANALYSIS

May 1, 2007

*Section 1. Short Title.*

This section designates the title of the bill as the "Safe American Roads Act of 2007".

*Section 2. Limitation on Granting Authority.*

This section states that the Secretary of Transportation may only grant authority to Mexico-domiciled motor carriers to operate beyond the commercial zones of the United States-Mexico border under the pilot program authorized by this Act.

*Section 3. Pilot Program.*

Subsection (a) authorizes the Secretary to carry out a pilot program to grant Mexico-domiciled motor carriers authority to operate beyond the commercial zones on the U.S.-Mexico border. The pilot program must be implemented in accordance with section 350 of Public Law 107-87; section 31315(c) of title 49, United States Code; all Federal motor carrier safety laws and regulations; and the provisions of this Act. Subsections (a) and (b) limit the size of the pilot program to no more than 100 motor carriers domiciled in Mexico to participate in the pilot program, with the total number of commercial motor vehicles participating in the pilot program not to exceed 1,000 vehicles. These numbers are consistent with the number of carriers and vehicles that the U.S. Department of Transportation ("DOT") has stated that it intends to include in a pilot program.

Subsection (c) establishes several prerequisites that must be met before the Secretary can initiate a pilot program. These prerequisites include verification by the Inspector General ("IG") of the Department of Transportation that DOT is in compliance with each of the requirements of subsections (a) and (b) of section 350 of Public Law 107-87 and a determination of whether DOT is ready to apply and enforce all U.S. motor carrier safety laws to participants in the pilot. This subsection also requires a report to Congress by the Secretary in response to the IG report that includes any changes to the pilot program based on the IG's findings. DOT must also determine that U.S. motor carriers are able to get authority to conduct comparable operations in Mexico before granting any authority to Mexico-domiciled carriers.

Subsection (c) also requires DOT to publish a detailed description of the pilot program in the *Federal Register*, and provide the public the opportunity to comment on: the amount of funds DOT will need to expend to carry out the pilot program; the findings of each pre-authorization safety audit conducted by DOT; the process by which DOT will revoke Mexico-domiciled motor carrier operating authority under the pilot program; measures to protect the health and safety of the public during the pilot program; standards to be used to evaluate the pilot program and compare any change in the level of motor carrier safety as a result of the pilot program; penalties to be levied against carriers who violate cabotage, or are found to be conducting point-to-point service within the United States; measures to enforce English language requirements for drivers; and any motor carrier safety laws and regulations for which the Secretary will accept compliance with a Mexican law or regulation as the equivalent to compliance with U.S. standards.

Subsection (c) further requires the Secretary to establish an independent review panel to monitor and evaluate the pilot program.

*Section 4. Independent Review Panel.*

Section 4 requires DOT to establish an independent review panel to monitor and evaluate the pilot program, composed of three individuals appointed by the Secretary. The independent review panel is required to evaluate the program and make a determination of whether the pilot program is having an adverse effect on motor carrier safety. The panel must make written recommendations to the Secretary, including changes to the pilot program or termination of the pilot program. Upon receiving these recommendations, DOT must act within five days to address the adverse effects or terminate the pilot program.

*Section 5. Inspector General Review.*

Subsection (a) requires the IG to monitor and review the pilot program and submit two interim reports to Congress and DOT with findings, 12 months and 18 months after initiation of the pilot program.

Subsection (b) requires the reports of the IG to include a determination of whether DOT has established sufficient mechanisms to monitor the pilot program for safety impacts, and to ensure that participants in the pilot program are in compliance with all U.S. motor carrier safety laws and regulations.

Subsection (c) requires the Secretary to submit a report to Congress within 60 days after submission of the 18-month IG report. The Secretary's report must include an account of the actions the Secretary is taking to address any motor carrier safety issues raised in the IG reports; an evaluation of whether granting operating authority to additional Mexico-domiciled motor carriers would have any adverse effects on motor carrier safety; any modifications to Federal safety laws and regulations or special procedures necessary to enhance the safety of operations in the U.S. of motor carriers domiciled in Mexico; and recommendations for legislation to make the pilot program permanent or to expand operations of motor carriers domiciled in Mexico in the U.S.

*Section 6. Duration of Pilot Program.*

Subsection (a) authorizes the Secretary to carry out the pilot program for a period not to exceed three years. However, if the Secretary does not comply with any provision of this bill, the authority of the Secretary to carry out the pilot program terminates.

Subsection (b) requires a final report to Congress from the Secretary regarding the pilot program, not later than 60 days after the last day of the pilot program.